

INVENTOR'S CLAIMS

The Basic Claim

1. An electronic computer system to be adopted by the purchaser, vendor and bank, introducing a one page business document which travels electronically to and between participants in ordering, purchasing, shipping, receiving and paying for merchandise secured by a purchasing organization from a vendor, and paying to the vendor's bank. The system eliminates conventional purchase requisitions, purchase orders, order confirmations, invoices, vendor's statements, and payment checks, through an electronic action controlled step program..

Supporting Claims

2. The document contains all the necessary data for directing and supporting these actions through a control system, thereby providing quick reference for all participants, and use in auditing the purchasing transactions.
3. An electronic control system serves to schedule the delivery of the merchandise on the basis of the requested delivery date, allowing time for delivery, and providing a supporting system for timing and content problems to be solved through an electronic Action Change Request, coupled with an open tracking system which continually follows the timing and completion of the several action steps, for possible awareness of delays and the need for corrective action.
4. Although the vendor's invoices are eliminated in the system, the vendors would continue to control shipments with "invoice" numbers relating to the purchaser's order documents. This number would be inserted in the purchaser's document by the vendor, to enter the system and would recognize the vendor's acceptance of the purchase contract, as noted on the bottom of the order form. Thus, at this point, the document also takes on the form of an invoice. Possibly the vendor might use an electronic signature to also approve the order, as provided in the document, if convenient for the vendor.
5. Approvals by the purchaser's participants in the system are identified by electronic signatures.
6. The usual control of billing by the vendor for the items shipped, is replaced by the purchaser paying the vendor only for the acceptable items received, and confirming the identification of the related vendor's invoice numbers being paid, to the vendor.
7. The shift in control provides the purchaser an opportunity to arrange a 30 day payment schedule with each vendor to balance all the vendors' payments to fit into the purchaser's cash flow position.
8. Through each document being programmed to show the exact amount to be paid the

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vendor for the 30 day period, this is in the computer payment system and the computer instructs the purchaser's bank to send this amount to the vendor's bank, as scheduled, without any individual's participation, except as an audit and security measure..

9. Although the system is basically designed for an in house installation, the purchasing organization could outsource any or all of the program to other organizations.
10. Worksheets are made part of the system to justify the purchase of significant items and provide possible backup data. It travels with the document prior to approving the order to the vendor. It is held in suspense until the payment is made, when it is combined with the document, in the stored data banks for fixed assets, inventories, and expenses, available for reference and auditing.
11. A worksheet is available for contract orders, or frequent large orders from specific companies to keep track of the orders to date, performance of vendor, contract dates, etc. This can be used in anticipation of a new order, or for a periodic review, and when renewing contracts.. Data would be brought up to date upon receipt of each order.
12. A section is provided on the document to show the account (s) to be charged for the items purchased, which is entered into the system when preparing the document and held in suspense until the items are received, as acknowledged, and an accounts payable is set up..
13. The system lends itself to easily make the necessary accounting entries electronically, using the amounts, process steps and data available on the document.
14. A list of 17 different management control reports is offered as possible assists in the management of the purchasing functions – to be used at different time schedules.
15. The vendor, in benefiting from the program, would put a "stop" on the printing, handling and mailing of the purchase confirmation, invoice, statement, and shipping document normally sent the purchaser. Vendor would just insert an invoice number in the purchase document, followed by clicking the next action circle, returning it to the purchaser's system. Vendor would prepare a shipping label to place on the shipment showing address, with document and invoice numbers. At first contact with the purchaser, vendor would provide wire payment instructions to send the payment directly to vendor's bank. Vendor can use purchaser's document to transfer order data to their own records.
16. The purchaser's bank, in benefiting from the program, would have a direct line with the Purchaser to supplement the bank's system for handling wire transfers to vendors. Working on a daily batch basis, the purchaser's system wires the bank a cash transfer authorization for the bank's payment account to process all the payments to be made by wire that day – on an imprest basis, with a listing and wire directions for making vendor payments. At the end of the day, the bank wires the purchaser's system a reconciliation with an electronic signature confirming that all payments were sent, and any exceptions.

The treasurer's control system would check this reconciliation and alarm the personnel of any action needed. A fixed cash balance would be on deposit to support this service, or a per transaction fee would be paid.

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